



ORDINARY
POST

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NATURALS TREND IN PERSONAL CARE IS HERE TO STAY

Last month, Dettol, the germ protection brand, announced the launch of soaps and hand washes free from parabens and dyes. Reckitt Benckiser (RB), the consumer health and hygiene company that owns Dettol, said the new range was designed to keep consumer preferences in mind, especially mothers looking for products that did not have too many chemicals for their children and the families. The soap and hand washes are infused with natural tulsi and jasmine.

Fast moving consumer goods (FMCG) major Hindustan Unilever Ltd (HUL) has also extended its soap brand Lux into the herbal and naturals segment with the Lux Botanicals range infused with honey, aloe vera and other natural ingredients. Launched in June, the range is aligned with the needs of the consumer who is gravitating towards "back to nature" products. In fact, in the last two years, among the new launches at HUL, the maximum have been the herbal and naturals variants of existing brands. It had earlier launched an ayurveda version of its Fair and Lovely face cream, Lifebuoy soap in neem and turmeric and Sunsilk shampoo with coconut water and aloe vera. Honey, green tea and aloe vera were also used to create a Naturale range for Lakme 9to5 brand of cosmetics.

Personal care brands are clearly moving where the consumer is going. Ashwini Sirsakar, country service line leader at the qualitative research department of Ipsos, agrees to a wave towards natural and chemical-free products across industries, especially, skin care.

"The belief is that anything which is natural or herbal may have fewer side effects compared to chemical-based products. There is also a high involvement with skin care and personal care products;

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good skin is seen to be the window to beauty and health and, hence, people don't want to take a risk with it," she says.

Ingredients such as rose, turmeric, saffron, aloe vera and cucumber, have benefits that the consumers are aware of and are linked strongly to skin care; while others such as jojoba and hibiscus add a more exotic touch to the product, she adds.

Sales data from research and analytics firm Nielsen backs the naturals trend. According to Sunil Khiani, head of retail measurement services, Nielsen South Asia, consumers are more aware of the benefits of naturals products in toilet soaps, skincare, toothpaste, etc. According to his data, the current market size for naturals in personal care stands at ₹17,500 crore, currently growing at 14.1% in value terms. The growth is entirely driven by the increase in volume/consumption, while prices have remained stable. On the other hand, the non-naturals segment has maintained its 9% value growth on the back of price reductions, leading to higher volume growth than value growth.

That is not all. The contribution of natural products to personal care has increased from 32% in March 2017 to 35% in March 2019. The categories included for the analysis are toilet soap, toothpaste, shampoo, face care, and hand and body care. In fact, toilet soaps remain the largest contributing category by holding 44% of the naturals segment. Hand and body care is the fastest growing category at 18%, while toothpaste comes second at 15%, says Nielsen.

Surprisingly, the rural markets continue to grow faster than urban in the past two years in the naturals segment: Rural grew by 16.5% compared to 12.9% for urban in value terms in March 2019 compared to March 2018. Interestingly, a Nielsen Global Premiumization study of 2018 revealed that 58% of consumers in India are willing to pay a premium for products that provide organic and natural ingredients, compared to 41% globally.

In a recent interview with *Mint*, Dabur India chief executive officer Mohit Malhotra made a pertinent point when he said that the trend towards herbals and naturals portfolios is here to stay. It is a global trend and it will not decline, Malhotra said. "This isn't a cyclical. It is permanent because it is in line with sustainability, with reducing carbon footprint, it is in line with increasing the life cycles of human beings. It is going back to nature."

Regulations are also making it more sustainable. "Whether you look at what Food Safety and Standards Authority of India (FSSAI) or Ayush ministry are doing, it is becoming structured and systemic in India and globally. It's not a temporary fad or fashion." Nielsen's Khiani agrees: "This is an ongoing on-ground conversation. The government and the consumer is more aware. We should see more innovations in this segment in the time to come."

Shuchi Bansal is Mint's media, marketing and advertising editor. Ordinary Post will look at pressing issues related to all three. Or just fun stuff.